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ABSTRACT

Is the positive potential of globalization being realized? Are transnational careers becoming a reality? What effects are uncertainty and continuous change having on career development? There is evidence that a growing number of companies are exporting both blue- and white-collar jobs overseas, although some contend that it is new technologies that have reduced the demand for more workers by increasing productivity. Some believe that jobs in fields where the level of expertise is high will remain in the United States. Workers who have high levels of education and skill may be more able to reap career benefits from global integration than those with only high school education or less. Lifelong learning is touted as a key to employability. Globalization's effects may be seen in increasingly lateral career paths, work that is increasingly portfolio centered rather than position centered, and an increase in contingent and temporary employment. Besides educational attainment and occupational proficiency, employment in a globalized world will require understanding and appreciation of a wide variety of cultures and the ability to work cooperatively and collaboratively in teams and across cultures. (Contains 18 references.) (SK)

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Myths and Realities No. 29

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MYTHS AND REALITIES

NO. 29

Effects of Globalization on Careers

by Bettina Lankard Brown
2003

Globalization engenders widely divergent opinions and projections, ranging from rosy depictions of a flexible, worldwide borderless labor market to dire scenarios of severe polarization between labor market "winners" and "losers." Is the positive potential of globalization being realized? Are transnational careers becoming a reality? What effects are uncertainty and continuous change having on career development? This publication explores such questions related to careers in the global environment.

Are Companies Exporting More and More of Their Work?

The reduction of trade barriers, opening of new international markets, and advanced information and communication technologies have had a resounding effect on the job market. It is estimated that over 2 million workers in the United States have lost their jobs in the last several years due to business closures and layoffs (Benjamin and Perry 2003). Although higher productivity and new management and hiring practices have had some influence on the loss of jobs, a growing number of companies are moving their operations to other countries where the cost of wages is cheaper than in the United States (ibid.). Many of these job losses have been in the manufacturing industry, involving mostly blue-collar workers. However, more recently, many white-collar jobs are going to India (for financial services) and China (for manufacturing) (Benjamin and Perry 2003; Edgardio et al. 2003; Kelly et al. 2003; Lee 2003; Rossheim 2003). In the next few years, U.S. financial institutions plan to ship more than 500,000 jobs abroad as a way to reduce their operating costs (Benjamin and Perry 2003; Lee 2003). "John C. McCarthy of Forrester Research Inc., predicts that at least 3.3 million white collar jobs and $136 billion in wages will shift from the U.S. to low-cost countries by 2015" (Edgardio et al. 2003, p. 51).

Haglund (2003) contends that it is the increased productivity of American workers rather than globalization that is costing jobs in the long run. New technologies have made us more efficient and productive, thus reducing the demand for more workers. Reich (2002) asserts that as the mix of jobs changes, workers must be prepared to upgrade their education and skills or they will lose ground. He states that "even if a country were to erect a wall around itself and secede from the global economy, many jobs would still disappear and the people who once performed them would be likely to find themselves in new jobs paying less than the old, especially if they lack the skills for the new" (ibid., p. 120). Thus, we hear, once again, that work in the knowledge economy requires continuous lifelong learning (World Bank 2003).

Do Career Benefits Occur from Global Integration?

Workers who are educationally, socially, and mentally prepared for a changing workplace will be able to reap benefits from global integration. The demand will be for workers who are creative and innovative, who have the basic skills and technological competence to succeed in a changing work environment. Instead of task-specific skills, these workers must have decision-making and problem-solving skills and be able to learn on their own and with others (World Bank 2003).

Education and flexibility will be the key for many workers. Newbury (2001) found that employees who work in more interdependent offices where they are exposed to shared clients from other countries are more likely to see the career benefits from global integration than do those in more locally embedded offices. Although change is difficult for many workers, those who embrace change are seeing benefits. For example, David Nowicki, a marketing director for Bytemobile, a wireless-telecom company, spends about 50 percent of his time on business overseas, which could interfere with his family life. However, he has chosen to have his wife and son accompany him. His family has "ridden elephants in Thailand, explored the Pyramids in Egypt, and hiked the Great Wall of China. 'We're enriching our lives with this incredible global experience' says his wife Laura" (Gimbel and Springen 2003, p. E4). Unfortunately, these options are available to a precious few, most certainly those with high levels of education.

Globalization can also have a positive effect on jobs in the United States. Based on a report of the Census Bureau, it is estimated that labor demand will exceed supply by the year 2013. And, by 2031, "the American work force may be 27.9 million short of the 57.1 million new workers the country will need" ("Review Symposium" 2002). These shortages will be primarily in fields that require higher degrees in education and increased skill levels realized through postsecondary training (Reich 2002.). Thus, although globalization may result in the loss of lower-end jobs to other countries, jobs in fields where the level of expertise is high will remain in the United States (Rossheim 2003).

Will Low-Skilled Workers Face Unemployment?

Experiencing the downside of globalization are those workers who have high school degrees or less. "From November 2000 to November 2001, the unemployment rate for persons with less than a high school diploma increased from 8.2% to 10.0% ("Review Symposium" 2002, p. 740). Many of the job losses were in assembly and machine operating, production crafts, services, and transportation occupations. At the same time, jobs in managerial, technical specialities, professional groups, and protective services grew by 1 million (ibid.). There is no question that education will play an increasingly important role in the employment scene.

Education affects not only the skill and earning power of workers in this country, but those in other nations as well. There has been an explosion of college-educated men and women in New Delhi, Manila, Shanghai, Budapest, Bulgaria, Romania, and South Africa who are being tapped by the global market for their services (Edgardio et al. 2003). Low-end jobs are going to countries where labor is cheap and jobs that are mentally challenging and require high levels of expertise are going to countries where workers are educated (Cohen and Zaidi 2002; Rossheim 2003). When the global transfer of skilled workers is coupled with the advent of new information and communication technologies, it exacerbates the gap that already exists between the haves and the have nots. The highest skills and jobs tend to be concentrated among the most privileged groups in all nations (Nadesan 2001).

Although jobs in the service areas—particular those in the health service field—are increasing whereas those on the assembly lines are disappearing, most of these jobs are traditionally low paying. They do not provide health care insurance, pension benefits, or even a living wage. People in these jobs tend to be allocated the worst hours and are not entitled to sick leave or vacation benefits (Benjamin and Perry 2003.)

Lifelong learning appears to be the only key to secure employment. Education affects not only the skill and earning power of workers, but also the economy as a whole. Crime reduction, social cohesion, income distribution, charitable giving, and more efficient labor market search can be attributed to education (World Bank 2003).

Are Jobs in the New Economy Less Likely to Reflect Traditional Employment?

Careers in today's economy are no longer characterized by upward moves that result in increased income, status, and power. Today, career moves are lateral and characterized by job switches and temporary moves that reflect both upward and downward turns (Kelly 2003). There is significant global movement toward the hiring of temporary skilled workers, particularly in countries where skill shortages require that temporary workers be imported until the country can develop its own pool of skilled workers (Iredale 2001). The facilitation of such work transfers is justified on the basis of arguments that contend these transfers are temporary and that the transferred workers are mobile and do not want to remain in the country permanently (ibid.).

Thus, work in organizations is increasingly portfolio centered rather than position centered (Templer and Cawsey 1999). Employees are being hired to accomplish specific tasks and when those are finished, their continued employment depends on their ability to accomplish other pertinent tasks, whether within that organization or another. The high cost of health insurance and pension benefits has contributed to this trend toward temporary or flexible employment, as many organizations will not provide these benefits to their temporary employees.

Workers in the fastest-growing industries are more likely to be in contingent or alternative employment relations (Newmark and Reed 2000). The increase in older workers, working mothers, and retired workers reentering the work force has also contributed to flexible staffing arrangements. For many of these workers, flexibility has been the impetus triggering their engagement in a specific organization and sometimes in the work force in general.

From the standpoint of globalization, work need not rely on taking assignments in other countries. However, employment in the global economy will require understanding and appreciation of a wide variety of cultures and the ability to work cooperatively and collaboratively in teams and across cultures (Nordgren 2002).

Conclusion

"Workers in our globally integrated society need to anticipate, recognize, and adapt to the changing requirements of the new economy and workplace by "developing new sets of skills and acquiring new foundations of knowledge" (Adler 1998, p. v). Taking responsibility for one's personal career management appears to be the prevalent strategy for increasing one's marketability in today's workplace. Human resource managers can help current employees in this endeavor by incorporating in their clients an awareness of the changing reality of careers, emerging organizational structures, and environmental situations (Kelly et al. 2003). "As the Committee on Economic Development has noted, in the global competitive labor market, 'the most sought after workers will be those with the most education and occupational proficiency'" (Adler 1998, p. v).

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